

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Transfer Leave Credits	REFERENCE NUMBER: 2008-030
DATE ISSUED: 09/17/08	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Transaction Staff
Personnel Transaction Supervisors
Personnel Officers
Employee Benefit Officers**

FROM: Department of Personnel Administration
Savings Plus Program

CONTACT: Lupe C. Vela, Staff Personnel Program Analyst
(916) 323-2701
Fax: (916) 327-1885
Email: lupevela@dpa.ca.gov

Savings Plus has revised the Request to Transfer Lump-Sum Separation Pay booklet (NRM-4074CA.1) to reflect a change in the Internal Revenue Code (IRC Section 415). We anticipate publishing the new version of the booklet by November.

What's new?

- Employees may transfer their lump sum separation pay to the SPP 401(k) and/or 457 plan or a 403(b) tax sheltered annuity to the next calendar year **only** if they separate on or after November 1st. *All contributions are subject to the annual deferral limits.*
- Under the IRC, you must issue payments by 2 ½ months after the employee separates/retires. Personnel offices must provide the corrected PAR to SCO 10 days prior to the 2 ½ month deadline. For example, if an employee's retirement date is Nov. 1, the corrected PAR must be sent to SCO no later than Jan. 5 to ensure all remaining pay with deductions can be issued no later than Jan. 15; or if the retirement date is Dec. 15, the corrected PAR must be sent to SCO no later than Feb. 20 to have all remaining pay with deductions issued no later than March 1.

What remains unchanged?

- Employees may still transfer lump sum separation pay to an SPP 401(k) and/or 457 plan or a 403(b) tax sheltered annuity for the current calendar year, regardless of separation date. *All contributions are subject to the annual deferral limits.*

DPA is waiting for a legal decision to address employee requests to defer lump sum separation payments to the next tax year. We will issue a PML once the decision is made.

We also want to let you know:

- Employees attending an SPP Enrollment Workshop can enroll by completing the Enrollment Form at the workshop. They can also enroll [online](#) or by calling customer service (1-866-566-4777, option 3), available M-F, 8:30 a.m. – 4:00 p.m. (PT).
- In addition to our Northern California representatives, we now have a representative in Southern California. The representative is available to conduct [educational workshop](#) (Enrolling in Savings Plus, Asset Allocation, and Preparing for Retirement). To set up a workshop in Southern California, contact Dauna Bohlken at (951) 520-7655; in Northern California, contact Bob Eviston at (916) 324-0513.
- Employees in the Alternate Retirement Program are eligible to participate in Savings Plus immediately; they don't have to wait until they begin to contribute to CalPERS.

Sincerely,

/s/Michelle Berklacich
Administrator
Savings Plus Program